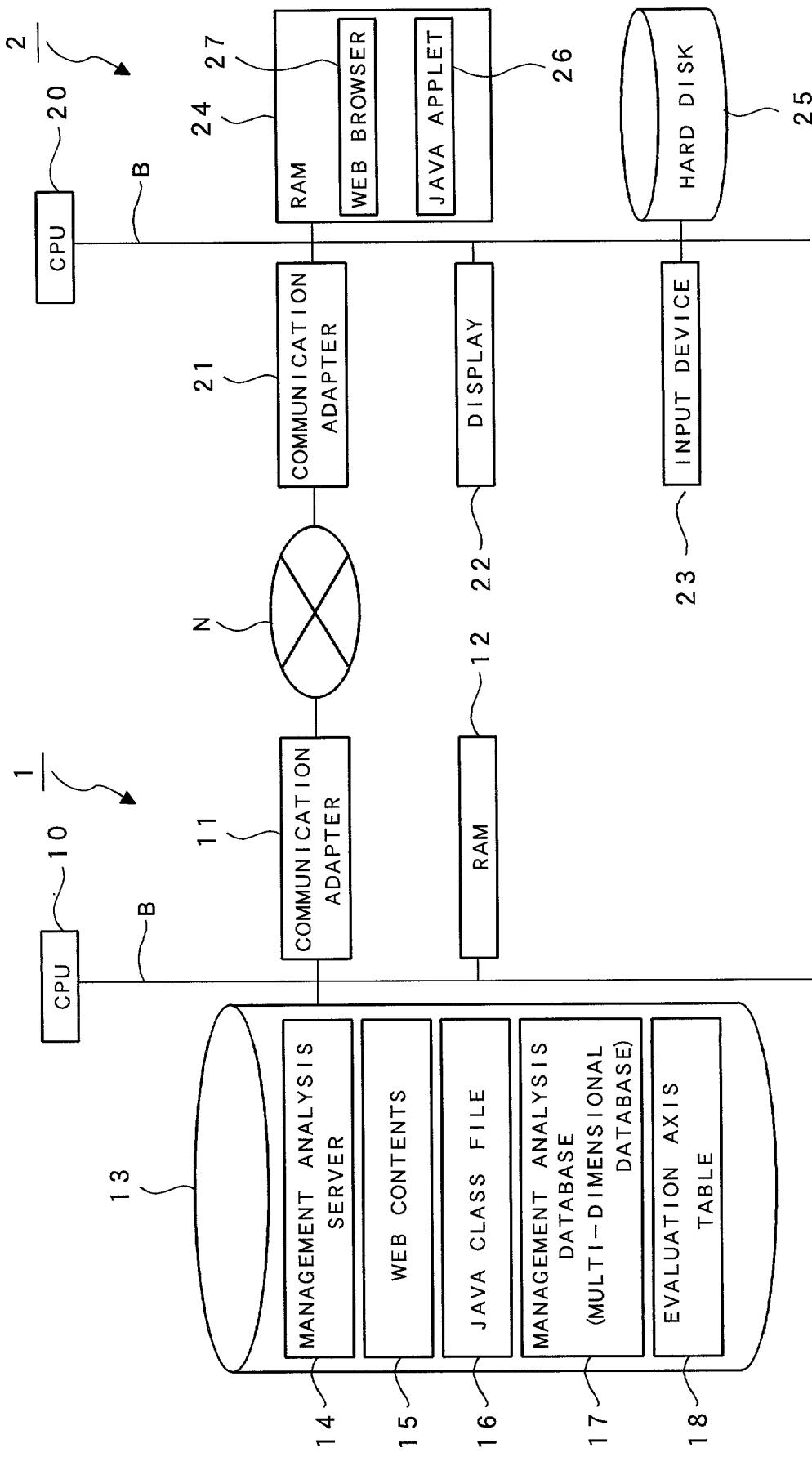


**Fig. 1**



**Fig. 2**

	1 POINT	2 POINTS	3 POINTS	4 POINTS	5 POINTS
MARKET SHARE (OWN COMPANY/ LEADING COMPANY)	0. 2 TIMES OR LESS	ABOUT 0. 5 TIMES	ABOUT 0. 8 TIMES	1 TIME OR GREATER	2 TIMES OR GREATER
QUALITY OF PRODUCT OR SERVICE	MANY COMPLAINTS ABOUT DEFECTIVES	ABOUT 2. 5% OF DEFECTIVES	ABOUT 1. 5% OF DEFECTIVES	LESS THAN 1% OF DEFECTIVES	OPTIMUM CUSTOMER SATISFACTION
CUSTOMER LOYALTY	MANY CUSTOMERS DEPEND ON PRICE	MANY CUSTOMERS DO NOT DEPEND ON A PARTICULAR COMPANY	RATIO OF NEWLY RECEIVED ORDER IS EQUAL TO THAT OF LOST ORDERS	HIGH PROBABILITY FOR REPEATED ORDERS	MANY ORDERS CAN BE SUBSTANTIALLY SPECIAL
STRENGTH OF TECHNOLOGICAL KNOW-HOW	CUSTOMERS ARE NOT SATISFIED AND MANY ORDERS ARE LOST DUE TO TECHNOLOGICAL FACTORS	NO DIFFERENCE FROM COMPETITORS	UNIQUE TECHNOLOGICAL KNOW-HOW IS AVAILABLE	HIGHLY EVALUATED KNOW-HOW IS AVAILABLE	STRONG PATENT AND KNOW-HOW PROVIDE HIGHLY VALUABLE ASSETS
MARKETING KNOW-HOW	WEAK	KNOW-HOW IS NOT AVAILABLE	AVERAGE LEVEL	CHARACTERISTIC IS IN CUSTOMER MANAGEMENT AND SALES STRATEGY	STRONG SALES AND INFORMATION NETWORKS ARE APPRECIATED BY CUSTOMERS
SPEED OF NEW-PRODUCT INTRODUCTIONS	FIVE YEARS OR MORE ARE REQUIRED FROM DEVELOPMENT	RECEIVED 3 YEARS AFTER DEVELOPMENT	ORDERS FOR NEW PRODUCTS ARE RECEIVED 3 YEARS AFTER DEVELOPMENT		NEW PRODUCT RATIO IS MORE THAN 2.5% EVERY YEAR
BUSINESS SPEED	WORSE THAN AVERAGE IN INVENTORY ON HAND IN MONTHS	SOME CUSTOMERS COMPLAIN ABOUT SLOW SPEED	AVERAGE		TOP INVENTORY ON HAND AMONG INDUSTRY
STRENGTH OF PRODUCTION SYSTEM	WORSE THAN COMPETITORS IN INVENTORY ON HAND	INACCURATE ESTIMATION OF MAN-HOUR FOR DESIGN AND MACHINING	NO PARTICULAR CHARACTERISTICS	IMPROVEMENT AND BENCHMARKING ARE PROMOTED DAILY	LEADING LEVEL IN INDUSTRY
GLOBAL NETWORK	NO OVERSEAS PARTNERSHIP IS AVAILABLE	PARTNERSHIP IS AVAILABLE BUT PERSONALLY	STRATEGIC ALLIANCE IS AVAILABLE	LEADING PARTNER IN OVERSEAS MARKET IS AVAILABLE	GLOBAL NETWORK IS UNDER CONTROL
COMPETITIVE ADVANTAGE ( $\chi_2$ )					

**Fig. 3**

	1 POINT	2 POINTS	3 POINTS	4 POINTS	5 POINTS
RETURN ON INVESTED CAPITAL	MINUS~3%	4~9%	9~12%	13~19%	20% OR MORE
D/E RATIO	2. 5 TIMES OR GREATER	ABOUT 2. 5 TO 2 TIMES	ABOUT 2 TO 1. 5 TIMES	ABOUT 1. 5 TO 1 TIMES	0. 9 TIMES OR LESS
NUMBER OF MONTHS WORKING CAPITAL ABIDES ON HAND	6 MONTHS OR MORE	ABOUT 5 MONTHS	ABOUT 3 MONTHS	ABOUT 2 MONTHS	ABOUT 1 MONTH
CAPITAL REQUIRED VERSUS CAPITAL AVAILABLE	1. 5 TIMES OR MORE	1. 2 TIMES	1 TIME	0. 9 TIMES	0. 8 TIMES
CASH FLOW	MINUS TREND IN THE PAST 3 YEARS	NOT PREDICTABLE	VARYING EVERY YEAR	PREDICTABLE FOR THE COMING 3 YEARS	PLUS CASH FLOW CONTINUES
EASE OF EXIT FROM MARKET (RETREAT COST)	RETREAT COST EXCEEDS SUBSTANTIALLY OWN CAPITAL		RETREAT COST EXERTS ADVERSE INFLUENCE ON REVENUE FOR ABOUT 5 YEARS		LESS INFLUENCE ON REVENUE FOR 2 TO 3 YEARS
RISK INVOLVED IN BUSINESS	RANGE OF VARIATION IN REVENUE IS 20% OR MORE		+/- 10%		WORSENING BY SINGLE DIGIT % AT MOST
USE OF ECONOMIES OF SCALE AND EXPERIENCE	LESS REDUCTION IN COST BY QUANTITY		COST IS REDUCED AS ORDERD QUANTITY INCREASES		COST IS REDUCED YEAR BY YEAR
FINANCIAL STRENGTH ( $Y_1$ )					

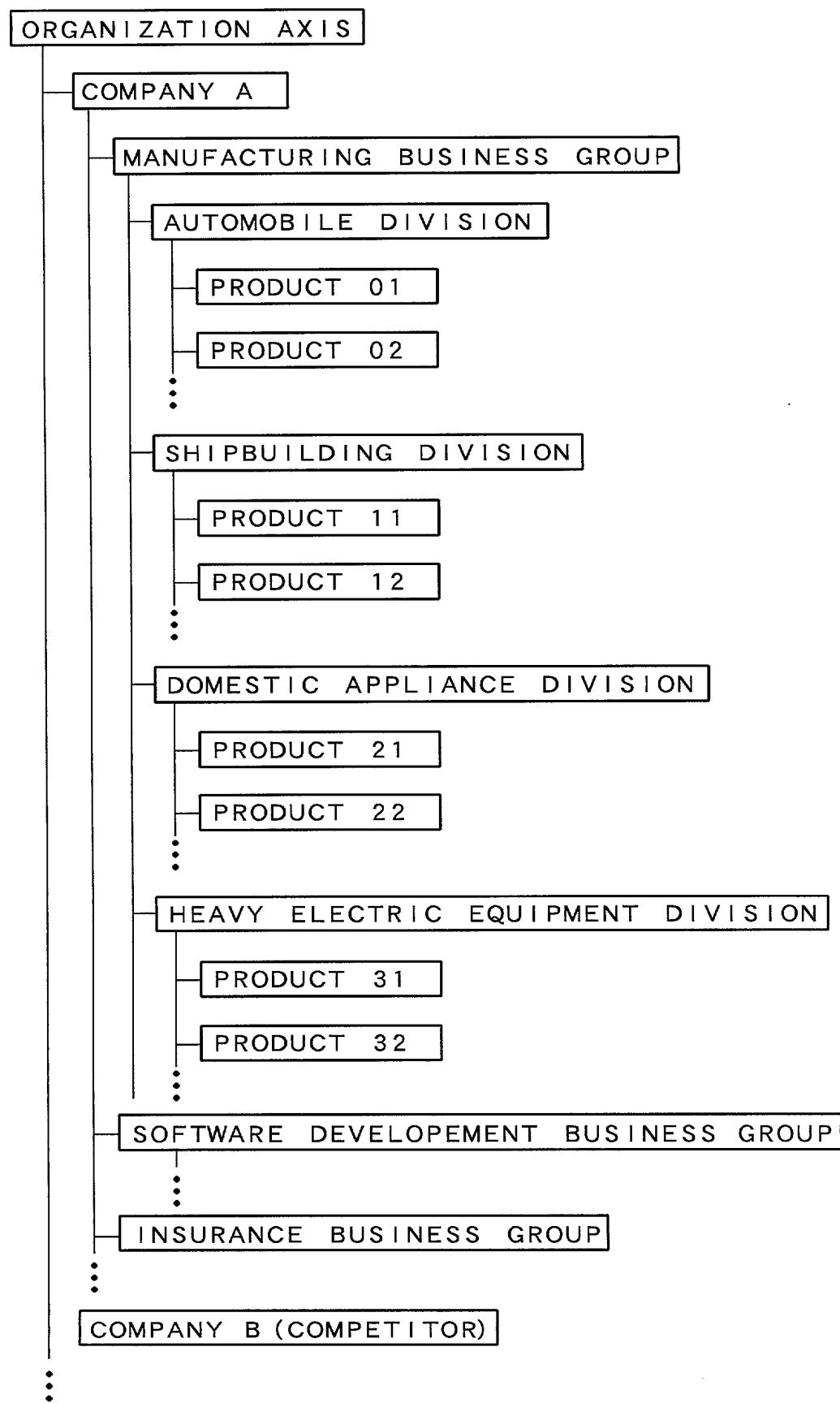
**Fig. 4**

	1 POINT	2 POINTS	3 POINTS	4 POINTS	5 POINTS
CYCLE OF TECHNOLOGICAL CHANGE	SIGNIFICANT CHANGE	DOG YEAR	ABOUT 3 YEARS	ABOUT 5 YEARS	NO SIGNIFICANT CHANGE
DEMAND IS VARIABLE AND IN A STATE OF LIQUIDITY	CYCLIC, SIGNIFICANT UPS AND DOWNS	DEMAND IS VARIABLE BUT CAN BE STANDARDIZED	DEMAND PATTERN CAN BE ROUGHLY PREDICTED	VARIATION AND EXPANSION IN DEMAND IS FIXED	
PRICE RANGE OF COMPETING PRODUCTS	SIGNIFICANT COMPETITION WITH 10% OR MORE VARIATION	DEPENDS ON A VARIATION IN PROFITABLE EXCHANGE RATE OF MANUFACTURERS	5% OF VARIATION PER YEAR	NO SUBSTANTIAL VARIATION	
BARRIERS TO ENTRY INTO MARKET	DOMESTIC AND OVERSEAS MAJOR COMPANIES' ENTRY	SEVERAL COMPANIES	NO ENTRY THESE SEVERAL YEARS	NO ENTRY IS PREDICTED IN THE FUTURE	
COMPETITIVE PRESSURE OR RIVALRY	COMPETITION AMONG COMPANIES WITH SIMILAR STRATEGIES AND SCALE	INDUSTRY RULE IS PRESENT BUT PRICE COMPETITION IS SIGNIFICANT	SEGREGATED	DIFFERENCES IN LEVEL AMONG COMPANIES ARE FOUND AND ORDER OF INDUSTRY IS STABLE	
PRICE ELASTICITY OF DEMAND	LOWER PRICE → AN INCREASE IN DEMAND, HIGHER PRICE → A DECREASE IN DEMAND	DEMAND SLIGHTLY INCREASES WITH DECREASING PRICE	NO CHANGE IN DEMAND WITH INCREASING PRICE	DEMAND IS NOT AFFECTED TOO MUCH BY PRICE	
RATE OF INFLATION	IN PROCUREMENT ENVIRONMENTS, EXCHANGE RATE AND PRICE ARE NOT CLEAR	VENDORS' INDUSTRY IS UNSTABLE	CYCLIC VARIATION IS FOUND	VENDORS' INDUSTRY IS STABLE	VENDORS ARE AVAILABLE, VARIABLE AND STABLE
PRESSURE FROM SUBSTITUTES	A PLURALITY OF SUBSTITUTE TECHNOLOGY AND COMPETING PRODUCTS ARE AVAILABLE	COMPETING WITH MAJOR COMPANIES OF DIFFERENT INDUSTRIES	COMPETING WITH SUBSTITUTE TECHNOLOGY AND PRODUCTS WITHIN SAME INDUSTRY	SUBSTITUTE TECHNOLOGY AND PRODUCTS ARE WEAK	NO SUBSTITUTE PRODUCTS ARE AVAILABLE
ENVIRONMENTAL STABILITY ( $\gamma_2$ )					

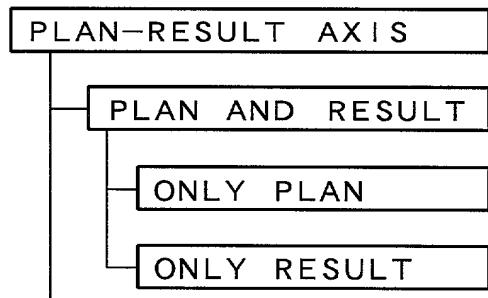
**Fig. 5**

	1 POINT	2 POINTS	3 POINTS	4 POINTS	5 POINTS
GROWTH POTENTIAL	SIGNIFICANT CYCLIC VARIATION	EQUAL TO OR LESS THAN GDP GROWTH RATE	ABOUT GDP GROWTH RATE	GDP GROWTH RATE + MORE THAN 3%	MORE THAN 10% PER YEAR
FINANCIAL STABILITY	SIGNIFICANT VARIATION IN OPERATING PROFIT AND LOSS	NON-PERIODIC INVESTMENT	LOW BUT STABLE REVENUE	STABLE INVESTMENT RATIO	HIGH AND STABLE REVENUE
TECHNOLOGICAL KNOW-HOW (R&D INVESTMENT)	1% OR LESS TO SALES	1 TO 1.5% TO SALES	2% TO SALES	3% TO SALES	5% OR MORE TO SALES
CAPITAL INTENSITY (FIXED ASSETS/SALES)	0.1% OR LESS	0.3	0.4	0.5	0.6~0.8
BARRIERS TO ENTRY INTO MARKET (30% OF LEADING COMPANY'S SALES)	1 BILLION YEN OR LESS	ABOUT 3 BILLION YEN	ABOUT 6 BILLION YEN	ABOUT 10 BILLION YEN	SPECIAL BARRIERS ARE PRESENT
EXPANSION OF CUSTOMERS (SEGMENT)	LOW REVENUE IN CUSTOMERS' INDUSTRIES	SUBSTANTIAL VARIATION IN CUSTOMERS' INDUSTRIES	WIDE RANGE OF CUSTOMERS IS PRESENT BUT THEIR INVESTMENT CYCLES ARE CONSISTENT WITH ONE ANOTHER	CUSTOMERS HAVE SEGMENTS OF WHICH CYCLES OF INVESTMENT ARE DIFFERENT FROM ONE ANOTHER	RISK CAN BE SPREAD DUE TO WIDE CUSTOMERS' INDUSTRY
SUPPLIER'S R&D AND KNOW HOW	NOT INVESTED TOO MUCH	DEPENDING ON BUYER'S INVESTMENT	EQUIVALENT TO THAT OF BUYERS	AGGRESSIVELY DEVELOPING	MANY JOINT DEVELOPMENTS
BARGAINING POWER	INDUSTRY HAS WEAK INFLUENCE	VERY STRONG CUSTOMERS	DIFFERENCES IN LEVEL AMONG COMPANIES ARE FOUND	CERTAIN DEGREE OF STRENGTH IS FOUND AS INDUSTRIAL GROUP	VERY STRONG IN OVERSEAS AS WELL
MARKET STRENGTH (X <sub>1</sub> )					

Fig. 6



F i g . 9



F i g . 1 0

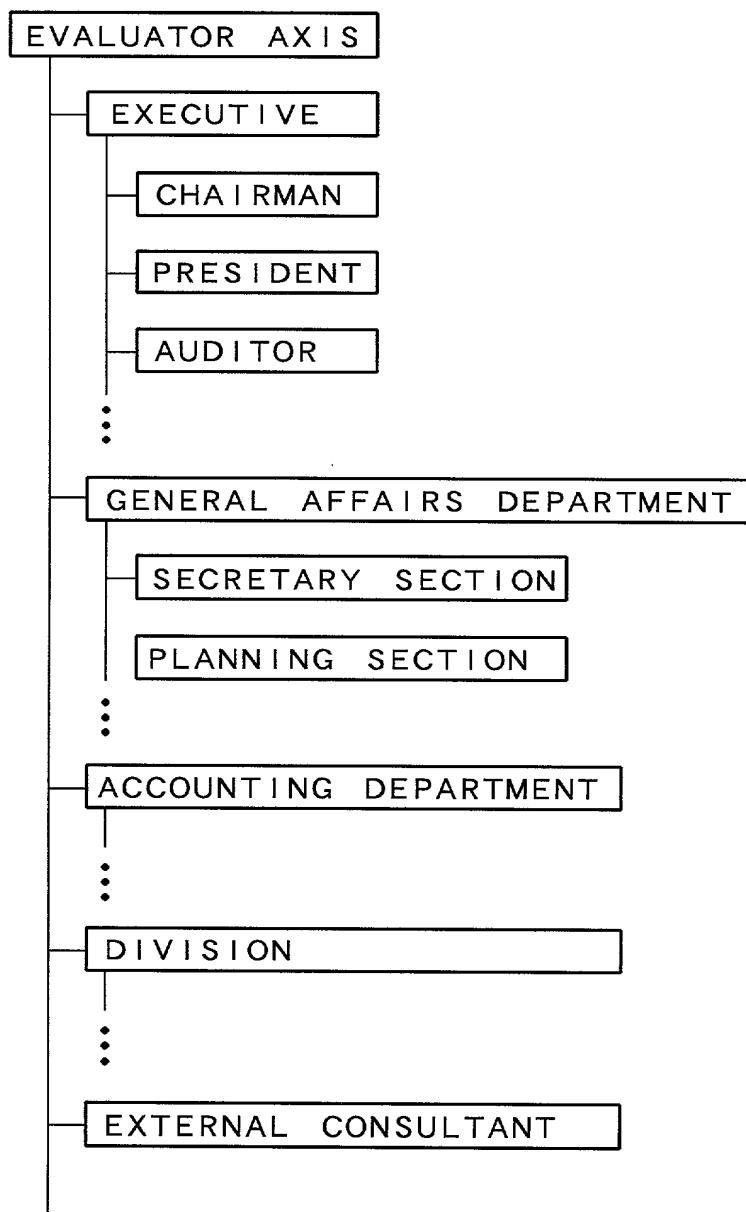
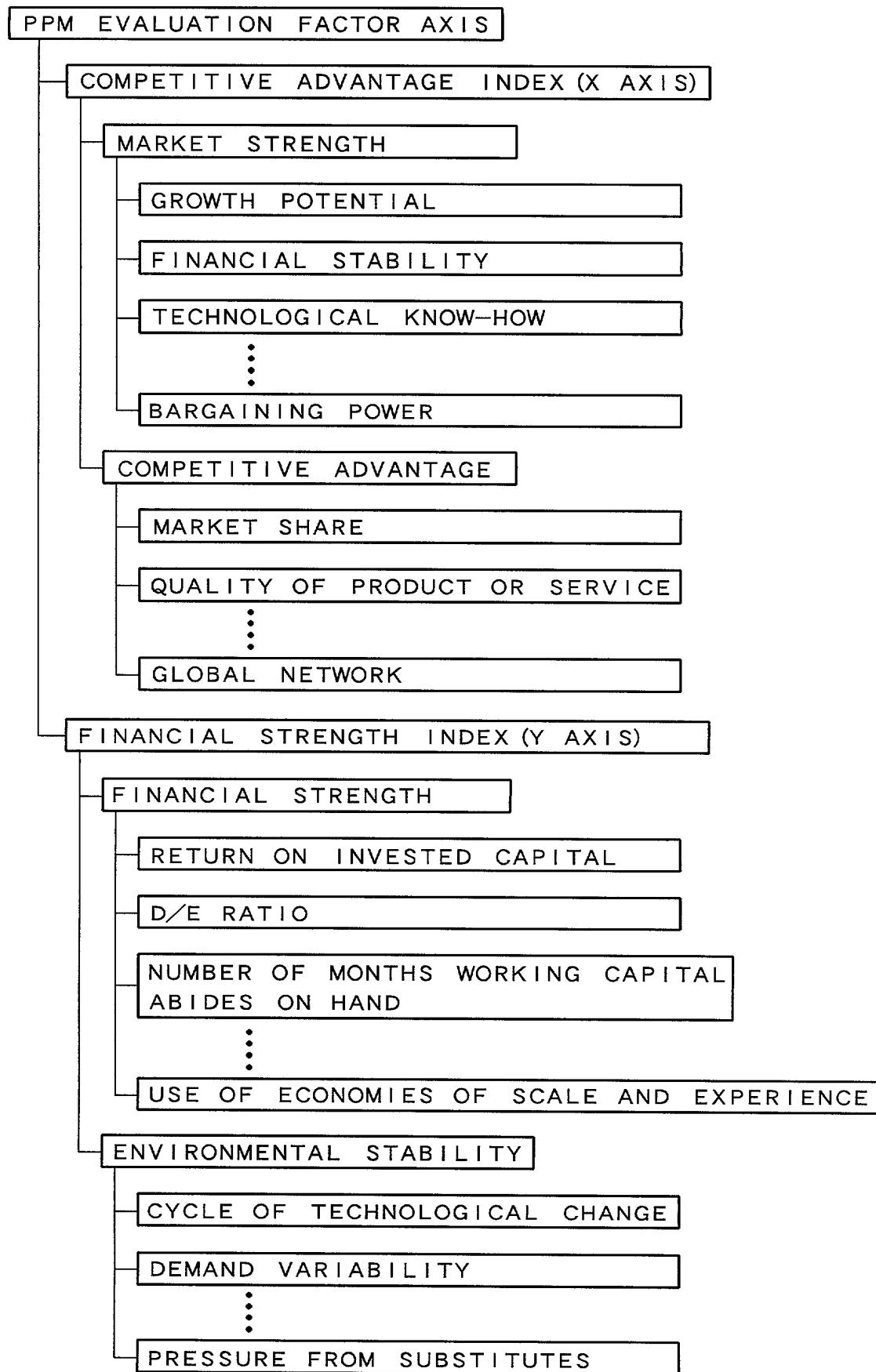
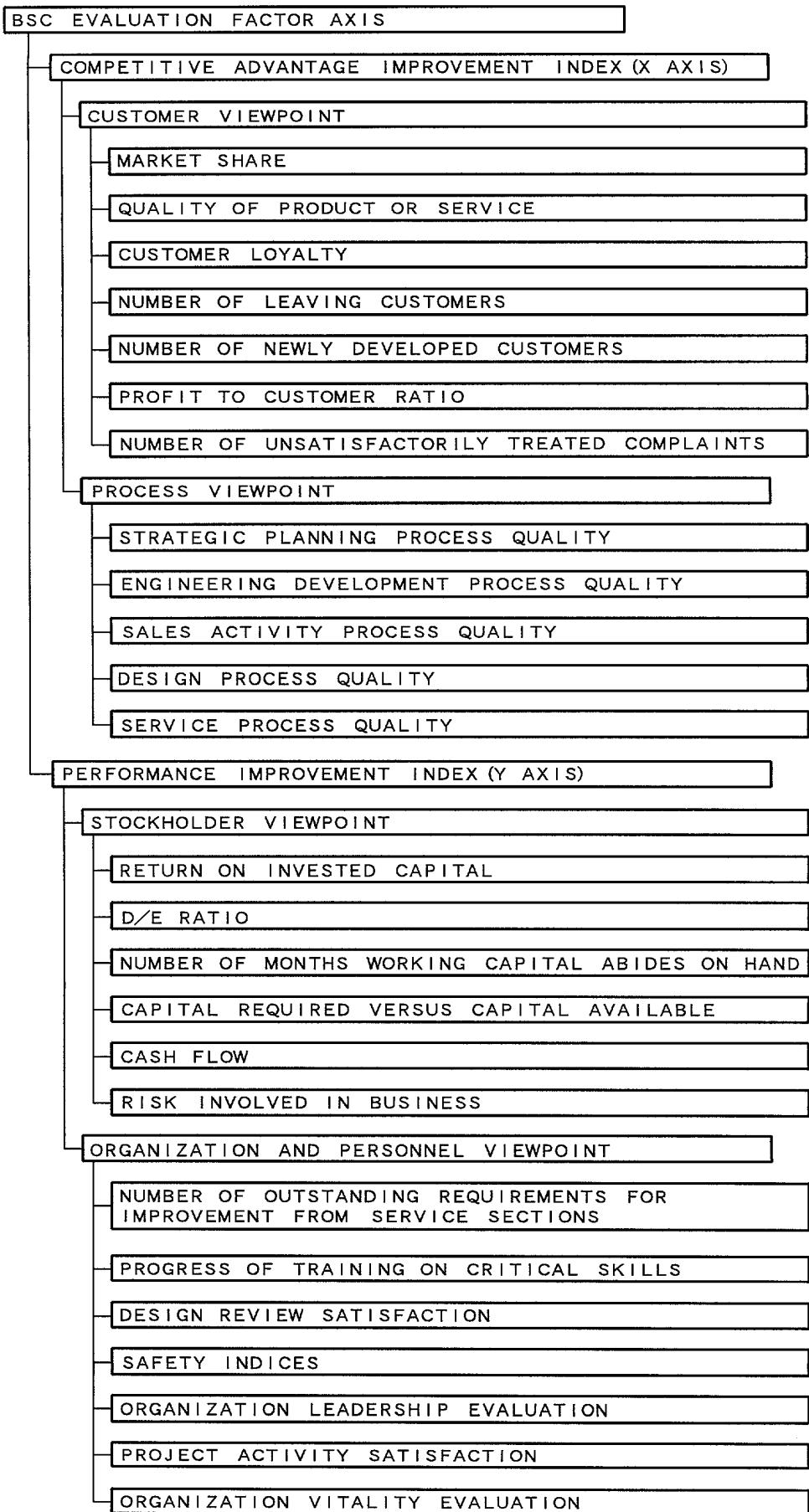


Fig. 11



# F i g . 1 2



F i g . 1 3

		PRODUCT 01	PRODUCT 02	PRODUCT 03	PRODUCT 04	PRODUCT 05
ENVIRONMENTAL STABILITY	CYCLE OF TECHNOLOGICAL CHANGE	3. 00	4. 00	4. 00	4. 00	3. 00
	DEMAND VARIABILITY	4. 00	4. 00	4. 00	2. 00	3. 00
	PRICE RANGE OF COMPETING PRODUCTS	4. 00	5. 00	2. 00	2. 00	2. 00
	BARRIERS TO ENTRY INTO MARKET	2. 00	4. 00	4. 00	4. 00	3. 00
	COMPETITIVE PRESSURE OR RIVALRY	2. 00	4. 00	2. 50	3. 00	2. 00
	PRICE ELASTICITY OF DEMAND	4. 00	5. 00	3. 50	3. 00	3. 00
	RATE OF INFLATION	3. 00	4. 00	3. 00	3. 00	3. 00
	PRESSURE FROM SUBSTITUTES	5. 00	4. 00	3. 00	4. 00	3. 00
<AVERAGE SCORE Y <sub>2</sub> >		3. 38	4. 25	3. 25	3. 13	2. 75
MARKET STRENGTH	GROWTH POTENTIAL	4. 00	4. 00	1. 00	1. 00	2. 00
	FINANCIAL STABILITY	4. 00	5. 00	2. 00	2. 00	4. 00
	TECHNOLOGICAL KNOW-HOW	4. 00	2. 00	2. 00	2. 00	3. 00
	CAPITAL INTENSITY	2. 00	2. 00	1. 00	1. 00	1. 00
	BARRIERS TO ENTRY INTO MARKET	4. 00	4. 00	4. 00	3. 00	5. 00
	EXPANSION OF CUSTOMERS	3. 00	1. 00	2. 00	2. 00	3. 00
	SUPPLIERS' R&D AND KNOW-HOW	4. 00	3. 00	2. 00	2. 00	3. 00
	BARGAINING POWER	3. 00	3. 00	3. 00	3. 00	3. 00
<AVERAGE SCORE X <sub>1</sub> >		3. 50	3. 00	2. 13	2. 00	3. 00
COMPETITIVE ADVANTAGE	MARKET SHARE	2. 00	2. 00	2. 00	2. 00	1. 00
	QUALITY OF PRODUCT OR SERVICE	2. 00	4. 00	2. 00	2. 00	3. 00
	CUSTOMER LOYALTY	2. 00	4. 00	4. 00	4. 00	3. 00
	STRENGTH OF TECHNOLOGICAL KNOW-HOW	4. 00	3. 00	4. 00	3. 00	2. 00
	MARKETING KNOW-HOW	3. 00	3. 00	3. 00	3. 00	3. 00
	SPEED OF NEW-PRODUCT INTRODUCTIONS	3. 00	3. 00	3. 00	3. 00	1. 00
	BUSINESS SPEED	3. 00	3. 00	3. 00	3. 00	3. 00
	STRENGTH OF PRODUCTION SYSTEM	2. 00	2. 00	2. 00	2. 00	2. 00
<AVERAGE SCORE X <sub>2</sub> >		2. 56	2. 78	2. 89	2. 78	2. 22
FINANCIAL STRENGTH	RETURN ON INVESTED CAPITAL	1. 00	5. 00	1. 00	1. 00	1. 00
	D/E RATIO	5. 00	5. 00	1. 00	1. 00	1. 00
	NUMBER OF MONTHS WORKING CAPITAL ABIDES ON HAND	3. 00	4. 00	1. 00	1. 00	1. 00
	CAPITAL REQUIRED VERSUS CAPITAL AVAILABLE					
	CASH FLOW	1. 00	5. 00	1. 00	1. 00	1. 00
	EASE OF EXIT FROM MARKET	3. 00	3. 00	3. 00	3. 00	3. 00
	RISK INVOLVED IN BUSINESS	1. 00	1. 50	1. 00	1. 00	1. 00
	USE OF ECONOMIES OF SCALE AND EXPERIENCE	2. 00	2. 00	2. 00	2. 00	2. 00
<AVERAGE SCORE Y <sub>1</sub> >		2. 29	3. 64	1. 43	1. 43	1. 43

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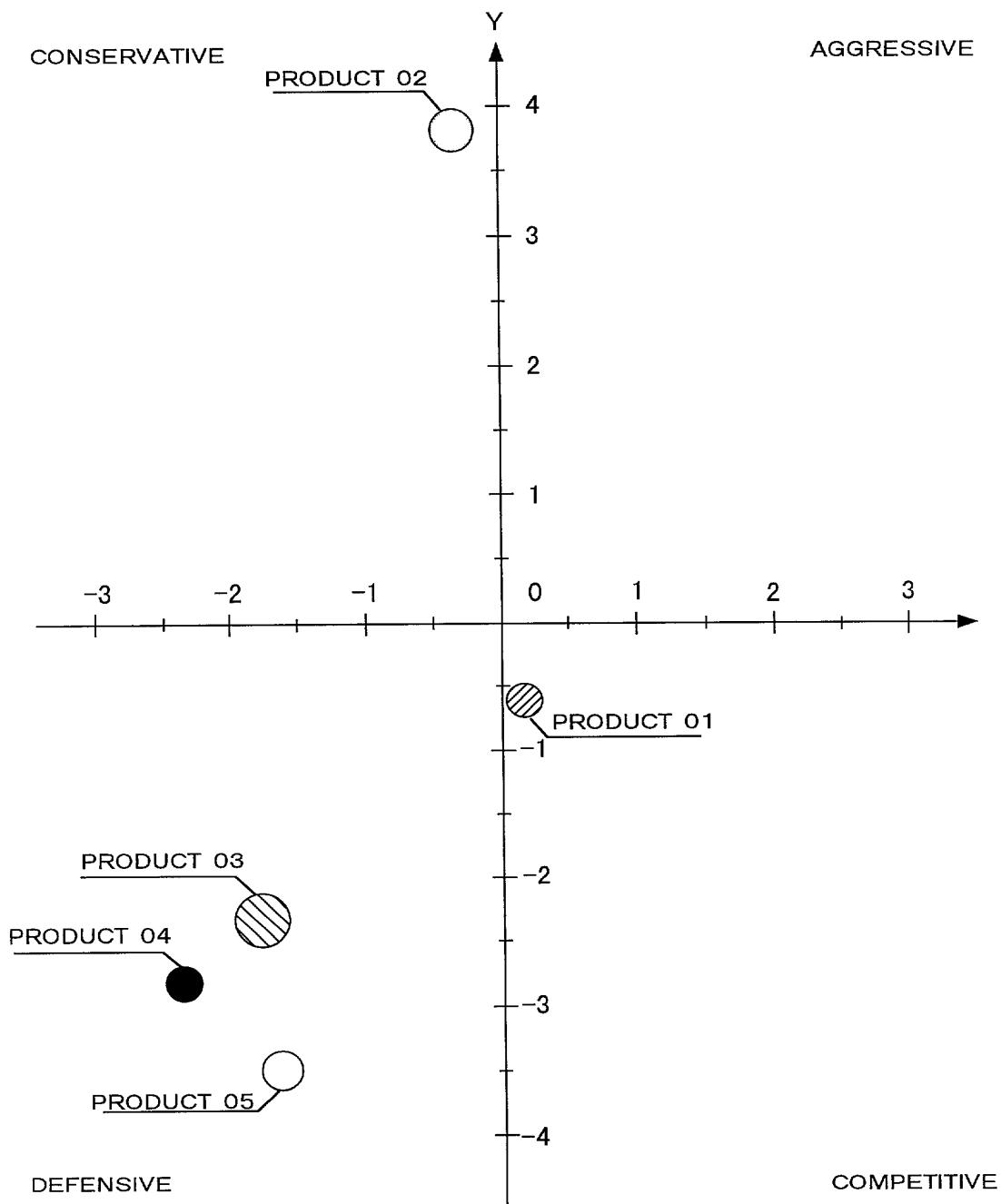


Fig. 15

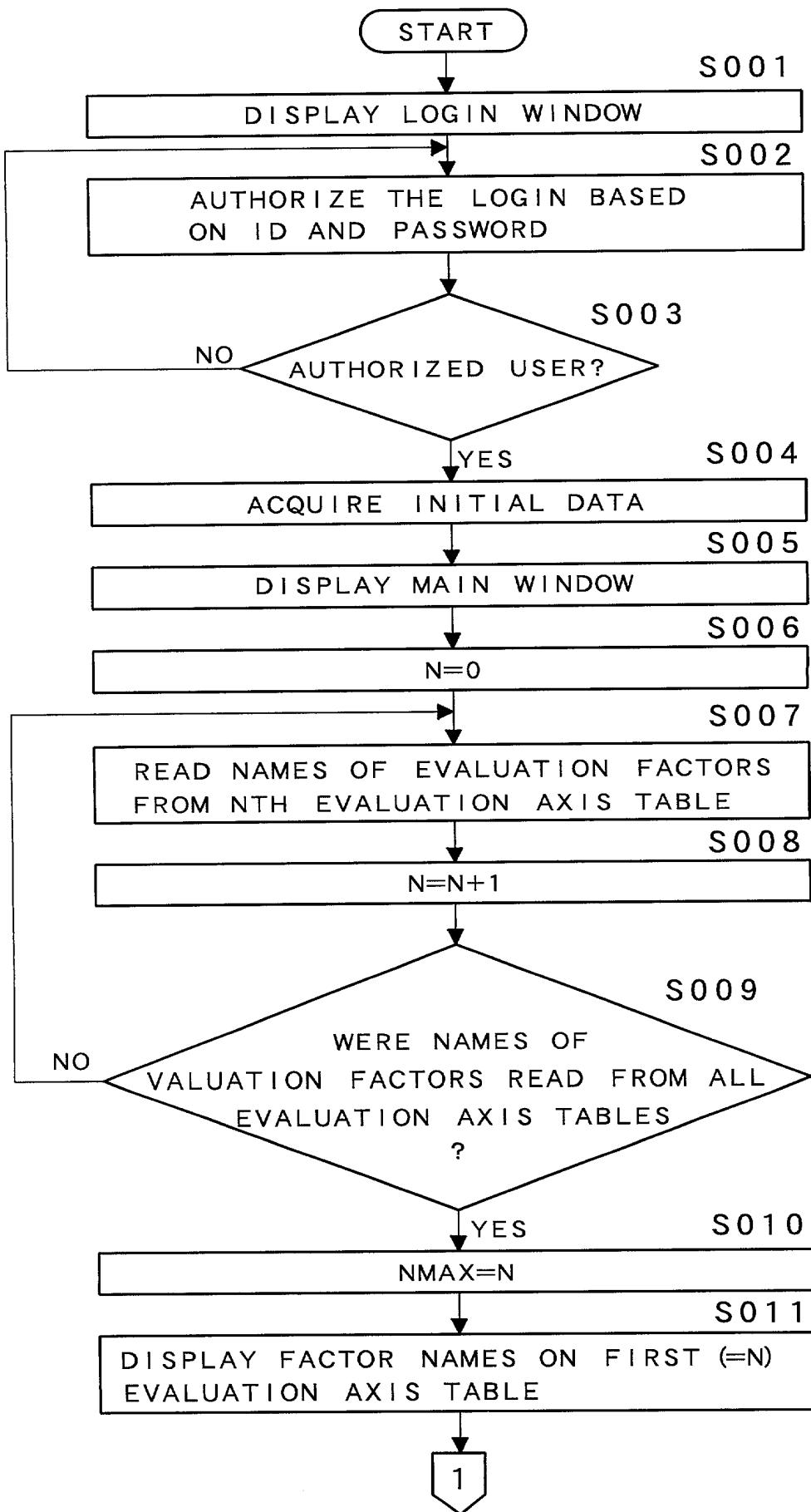
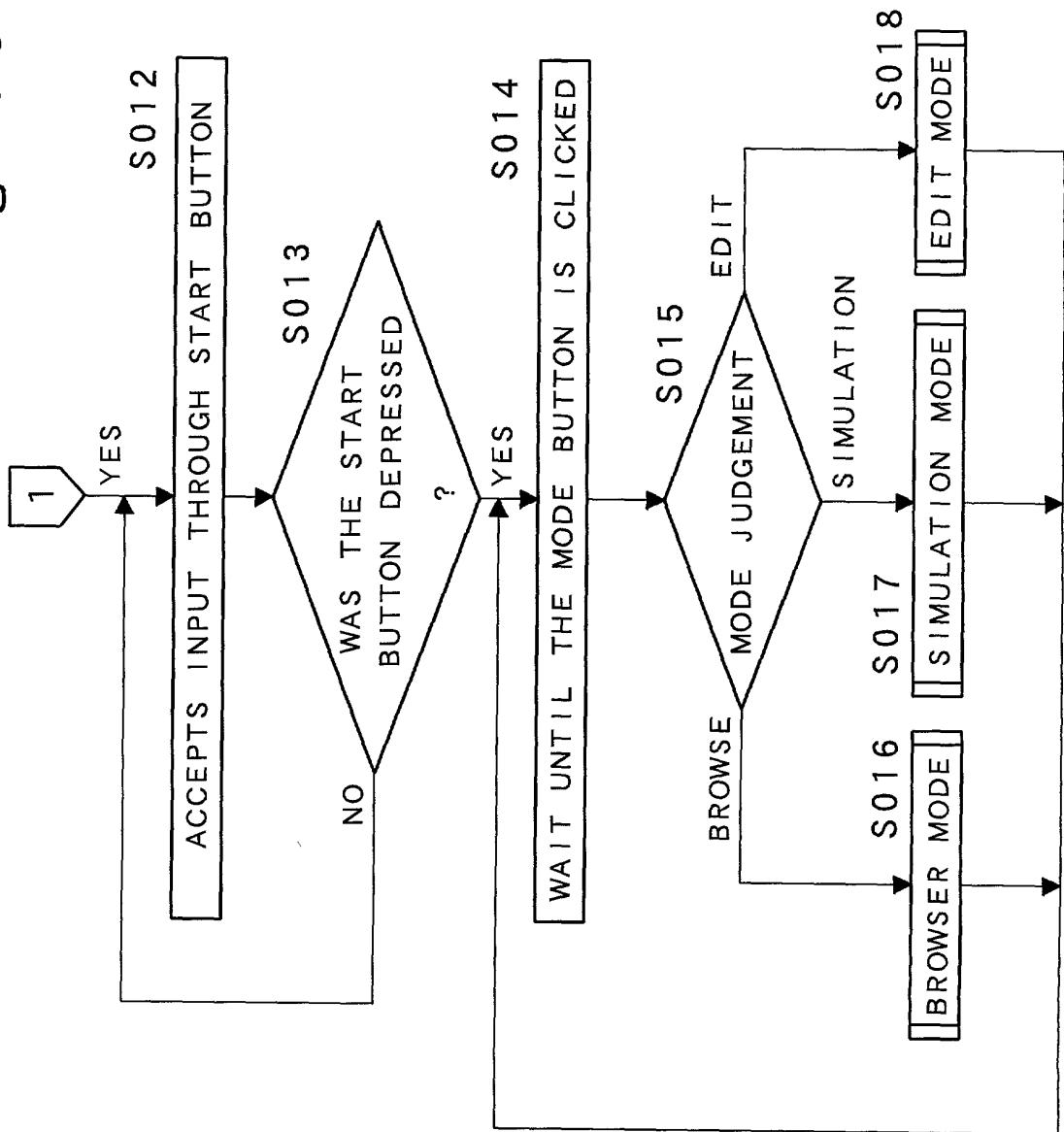
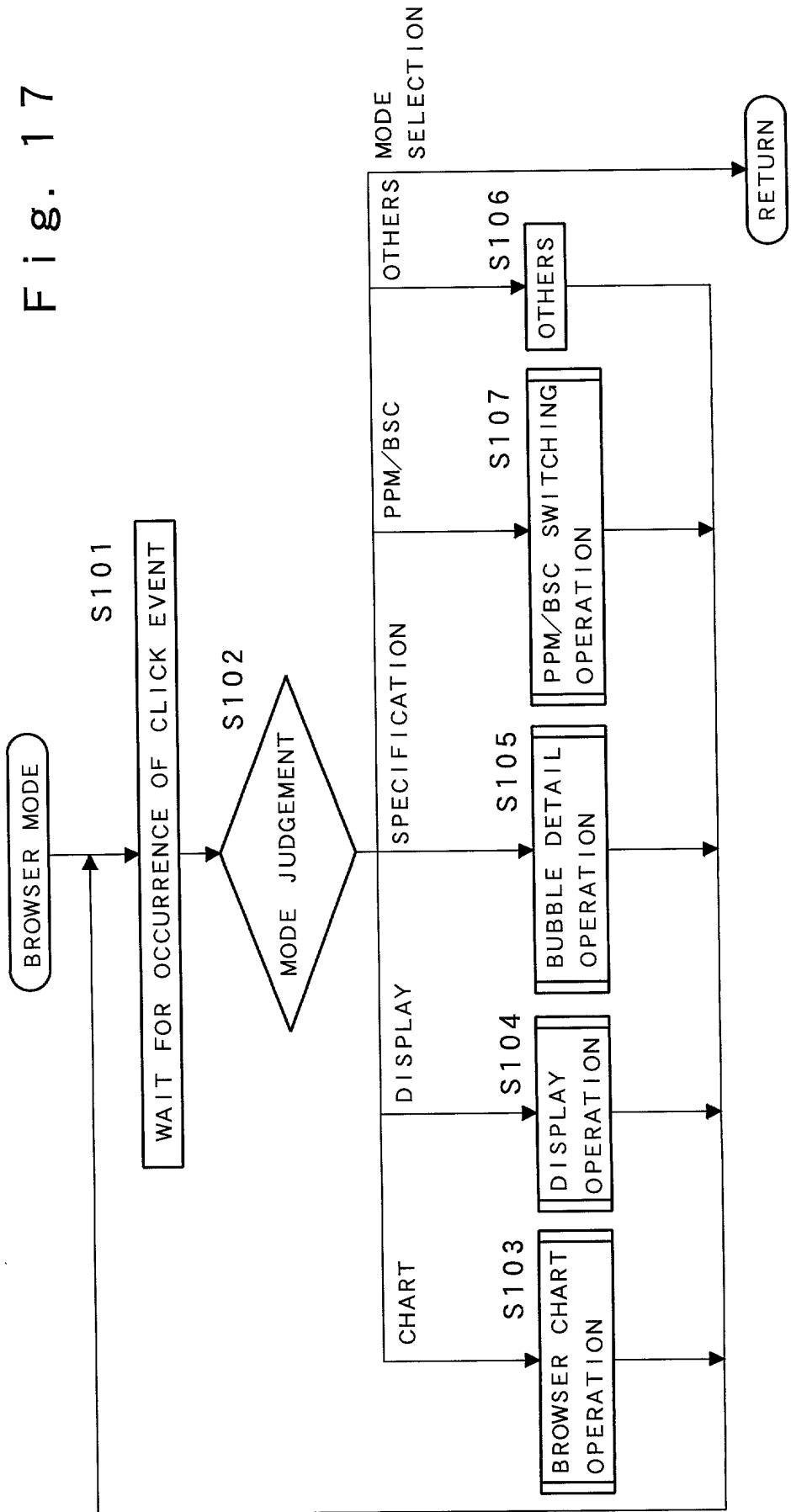


Fig. 16



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F i g . 1 8

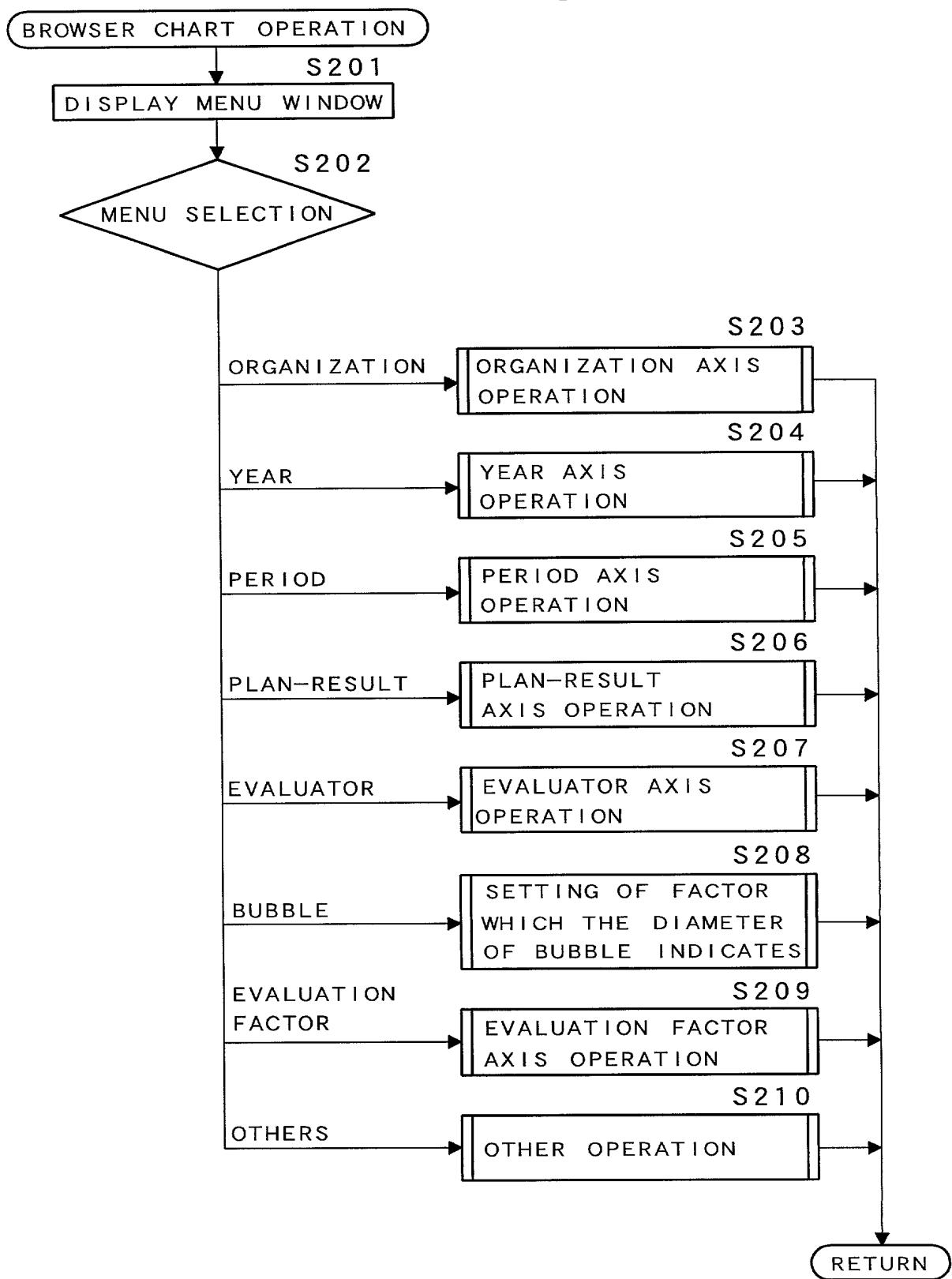
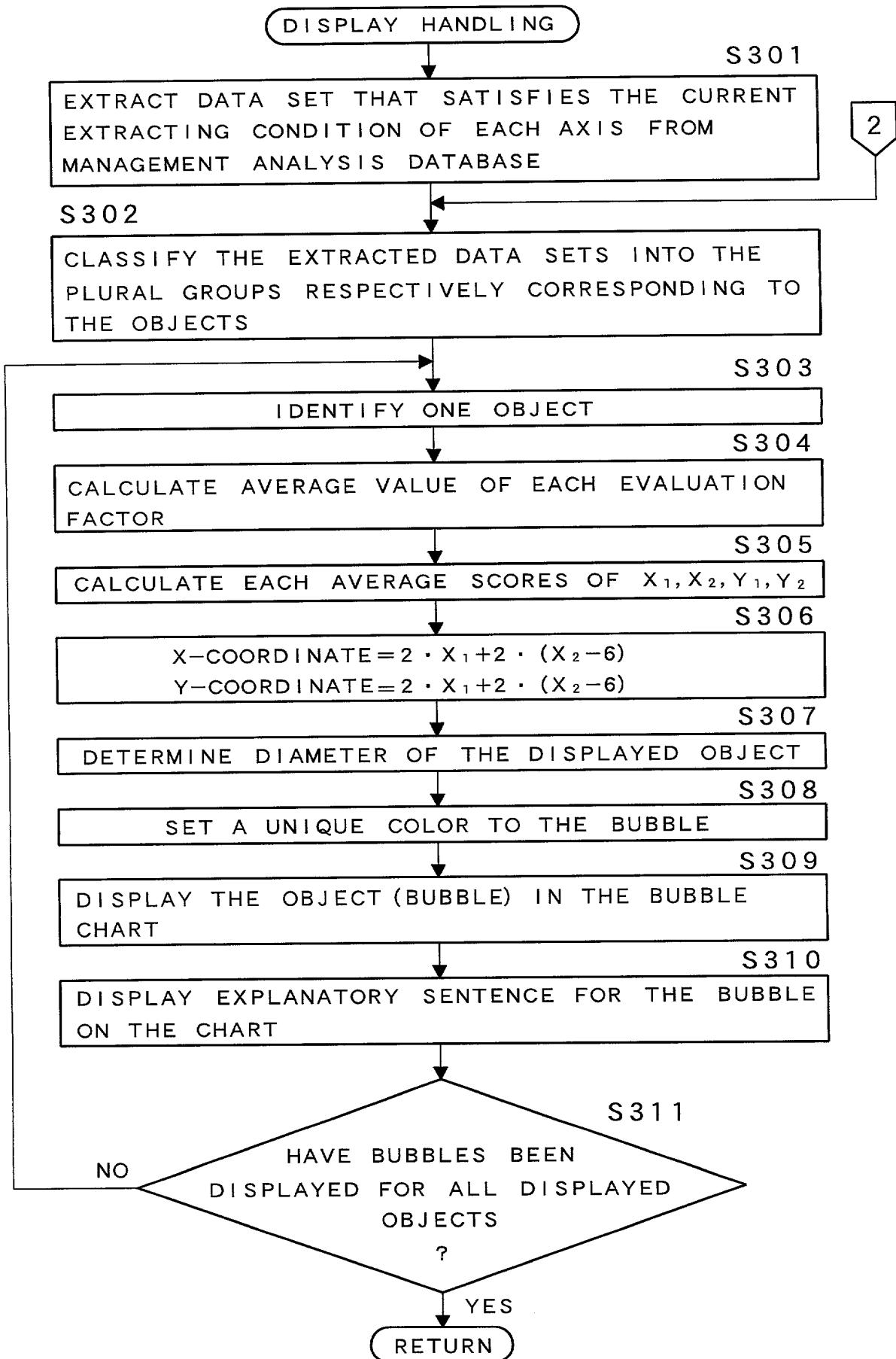


Fig. 19



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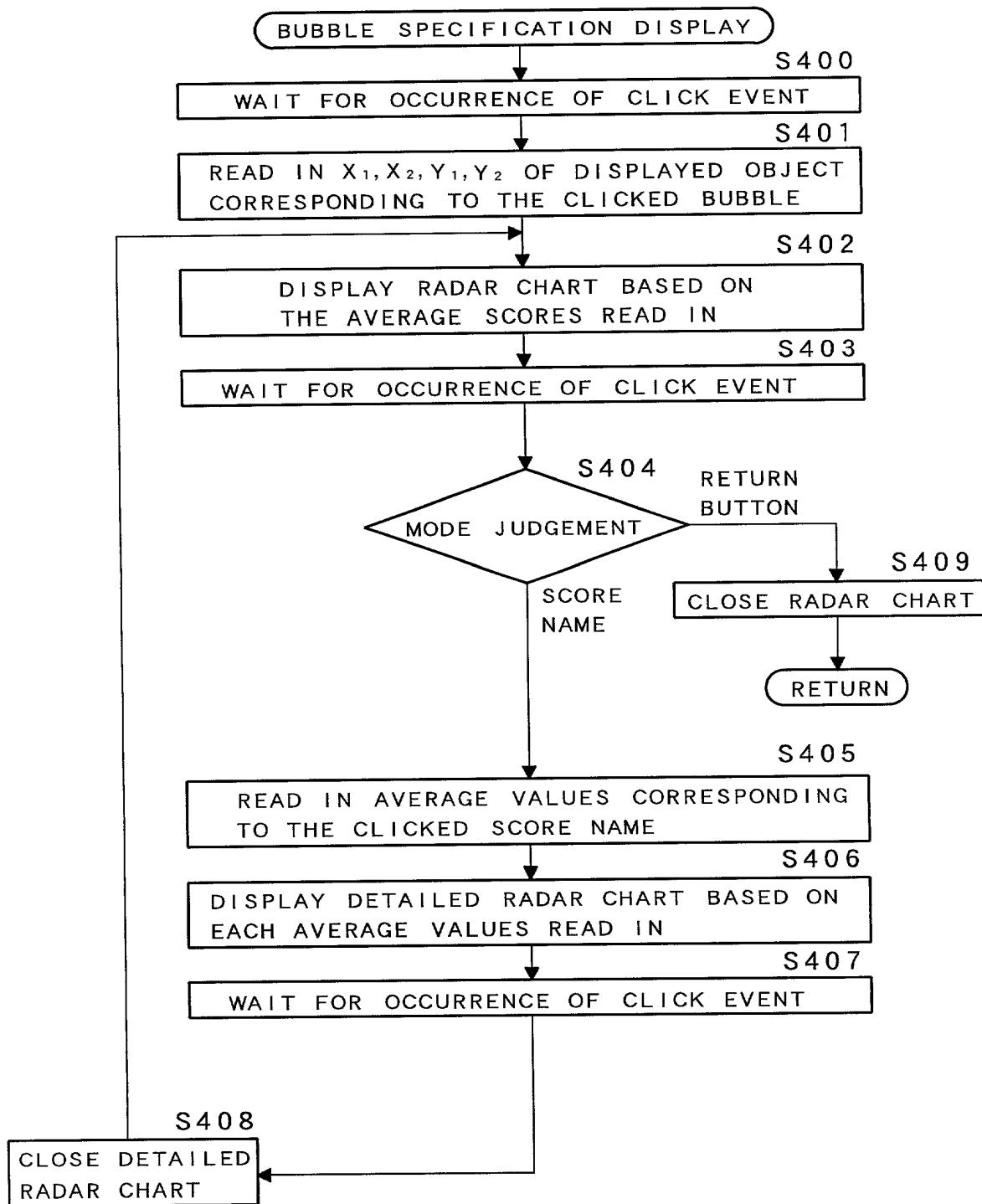
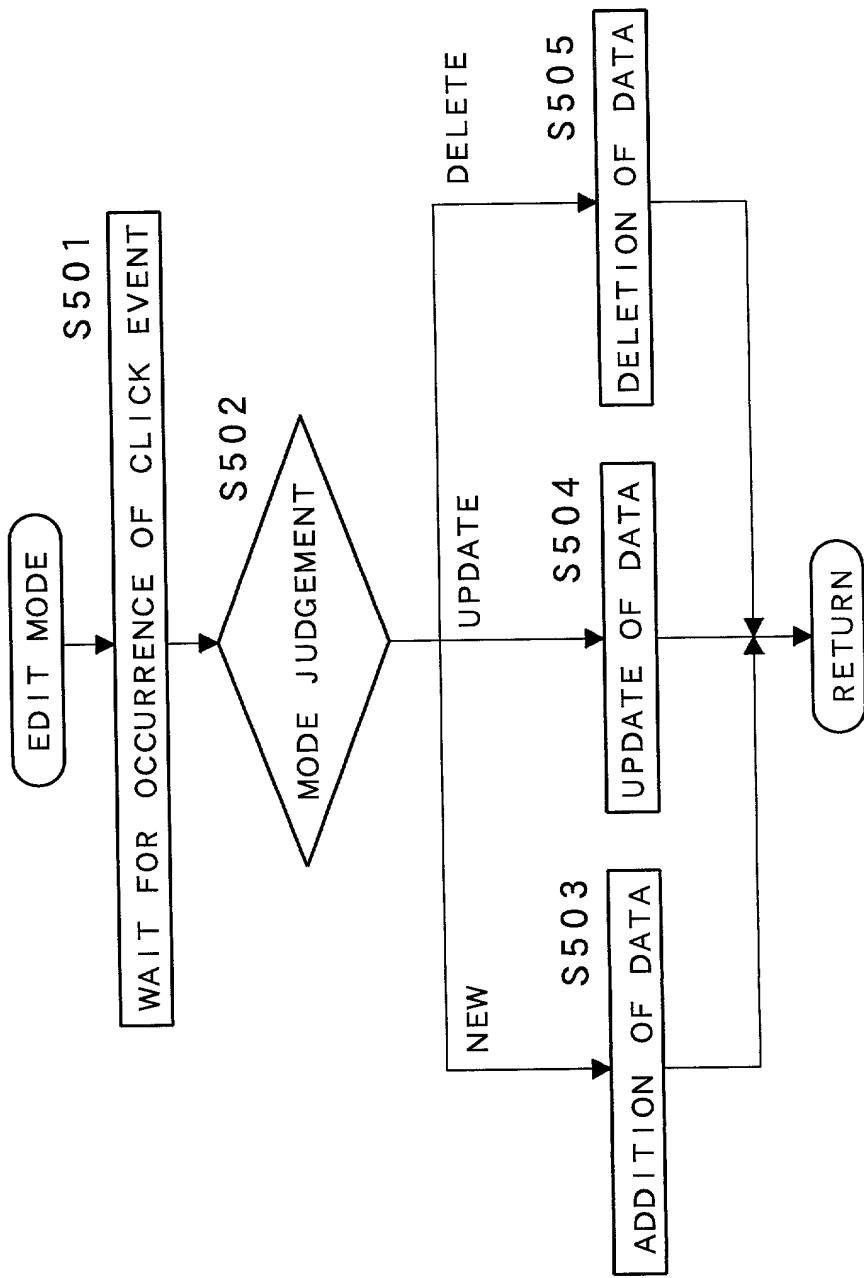
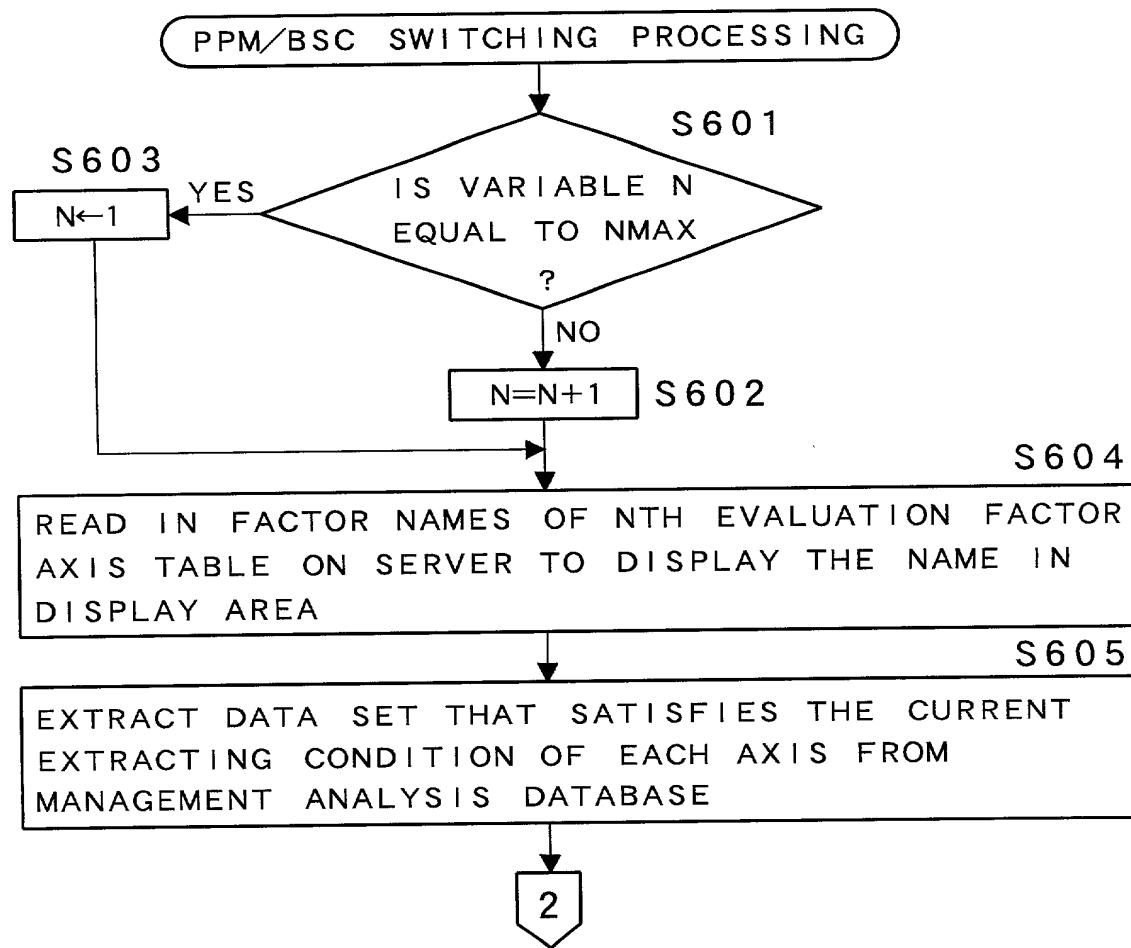


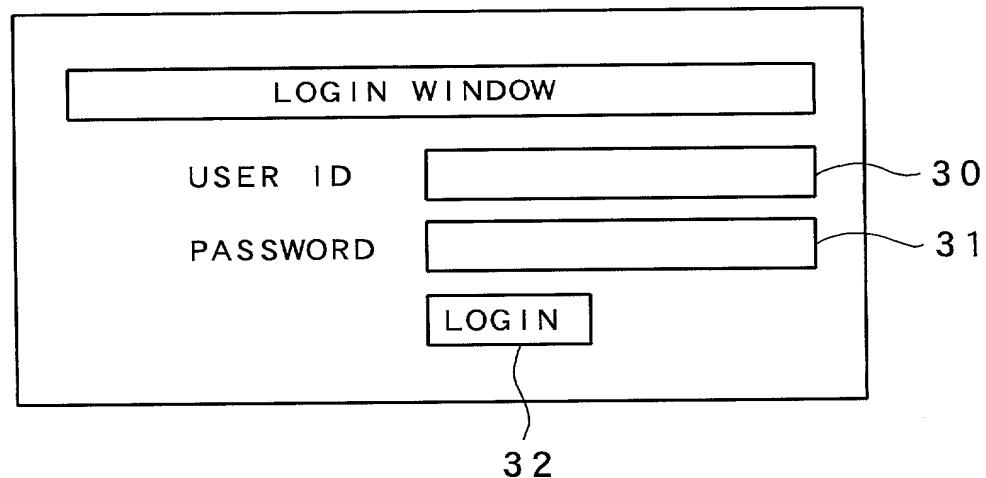
Fig. 21



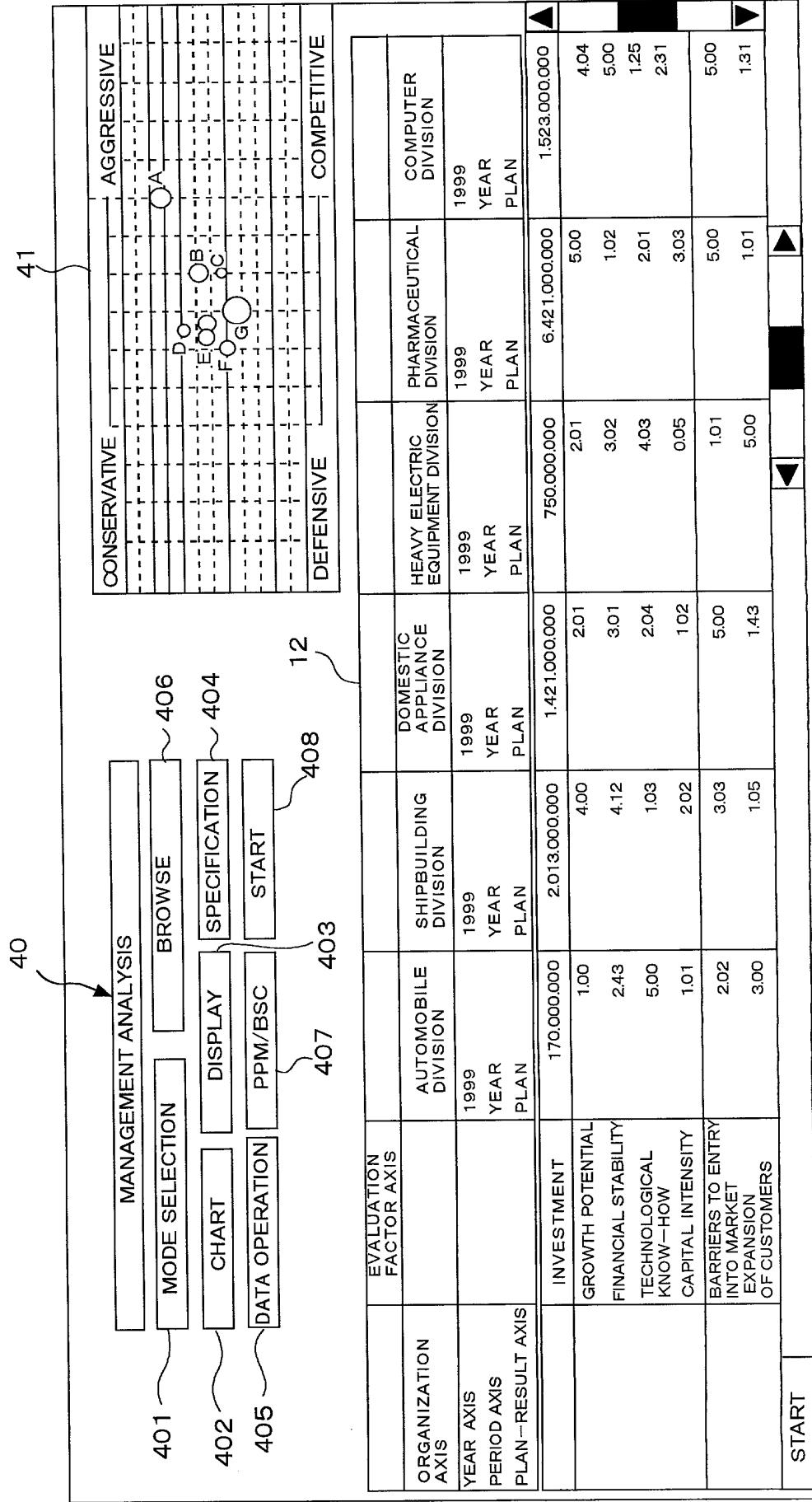
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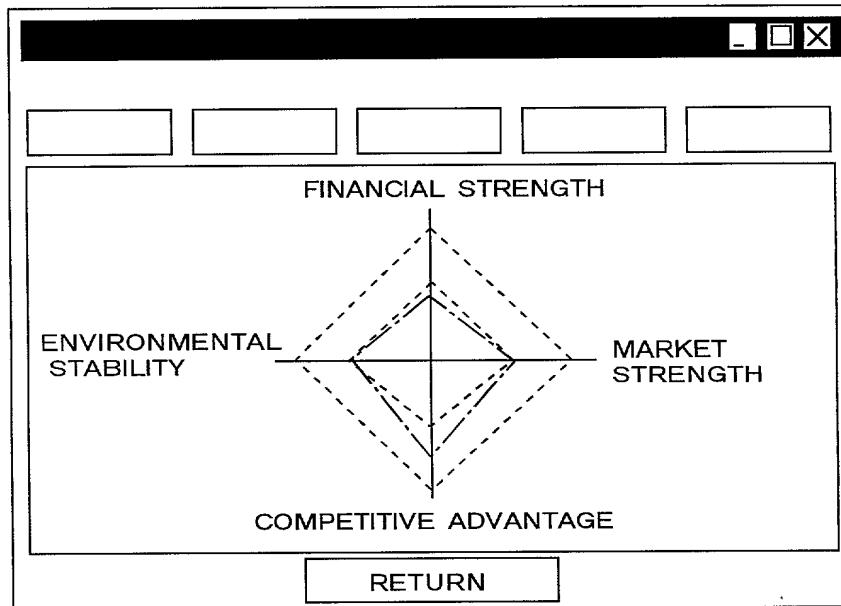
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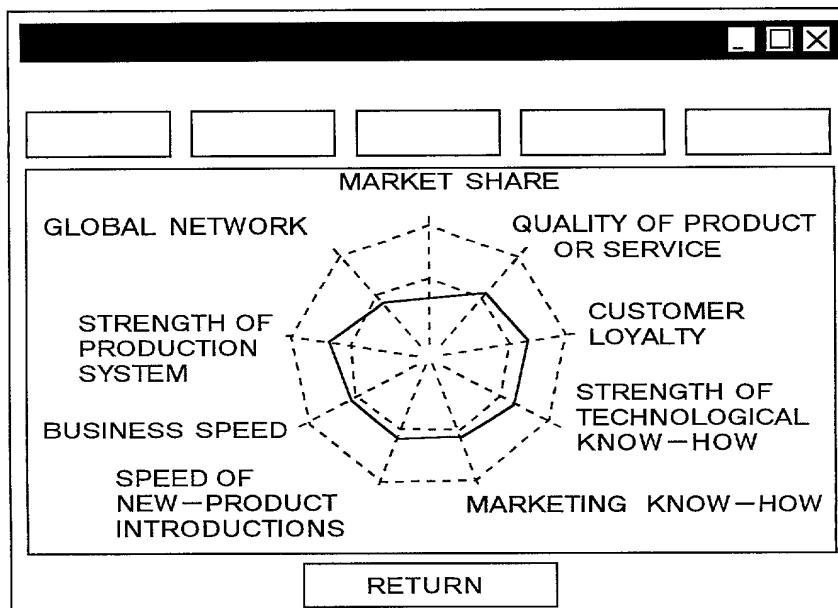
F i g . 2 4



F i g . 2 5



F i g . 2 6



**F i g . 2 7**

